

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **24UEC101**

DURING THE ACADEMIC YEAR 2024-25 ONLY)

REG.NO.:

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS: NOVEMBER – 2024

B.Com.-E.COMMERCE

MAXIMUM MARKS: 75

SEMESTER: I

TIME : 3 HOURS

PART – III

PRINCIPLES OF ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

1.is the first stage of accounting.
 - a) Journal
 - b) Ledger
 - c) Trial Balance
 - d) Final Accounts
2. Depreciation is generated due to.....
 - a) Increase in the value of liability
 - b) Decrease in capital
 - c) Wear and tear
 - d) Decrease in the value of assets
3. The bank reconciliation statement is prepared by
 - a) Bank
 - b) Customer's Accountant
 - c) Auditor
 - d) Financier
4. The amount paid at the time of hire purchase agreement is known as
 - a) Instalment
 - b) Down payment
 - c) Cash price
 - d) Hire purchase price
5. The acceptor of a bill of exchange is called as the
 - a) Drawee
 - b) Drawer
 - c) Payee
 - d) Endorsee

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. What is the liability of a sole proprietorship firm owner?
7. Write any two methods of depreciation.
8. What do you mean by Bank Reconciliation statement?
9. Under hire purchase system, who has the right of sell?
10. What are the two types of bills of exchange?

(CONTD 2)

SECTION – B (5 X 5 = 25 MARKS)**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**

11. a) Describe the golden rules of Accounting.

(OR)

- b) Prepare a Trial balance as on 31
- st
- December 2012, from the following balances of Mr.Ravi.

Particulars	Rs.	Particulars	Rs.
Capital	14,260	Creditors	1,670
Drawings	2,550	Salaries	3,500
Bills Receivable	1,000	Bills payable	1,090
Debtors	1,150	Commission Received	400
Insurance	3,250	Land	6,000

12. a) Explain the Annuity Method of depreciation.

(OR)

- b) Lee Manufacturing Company purchased a Machinery for Rs 7,00,000 on 1 April 2007. After being used for three years, it was sold for Rs 5,50,000. Depreciation is to be provided at the rate of 10% per annum on fixed installment method. Books are closed on 31st March every year. Find out the Profit or Loss on sale of Machinery.

13. a) Describe the different types of errors that can occur in the accounting process.

(OR)

- b) Prepare a Bank Reconciliation Statement as on 31
- st
- December 2000.

(a) Balance as per cash book: Rs 8,400

(b) Cheques issued but not presented for payment: Rs 615

(c) Cheques deposited into bank but not credited in the pass book: Rs 440

(d) Bank charges debited in the pass book: Rs 60

(e) Interest credited by the bank but not recorded in the cash book: Rs 75

14. a) Examine the advantages and disadvantages of the Hire Purchase System.

(OR)

- b) Saleem purchased a motorcycle on hire purchase system. The cash price of the vehicle is Rs. 1,12,000, Rs 30,000 being down payment and three installment of Rs. 30,000 each. The interest is charged at 5% p.a. Calculate the included in each installment.

15. a) Analyze the differences between a Bill of Exchange and a Promissory Note.

(OR)

- b) Pass the necessary journal entries in the books of Ravi and Mohan under the following circumstances.

i. When the bill was retained by Ravi till the date of its maturity.

ii. When Ravi discounted the bill from the bank on the same day at 6% p.a.

iii. When Ravi endorsed the bill in favour of his creditor Mukesh.

iv. When Ravi sent the bill few days before its maturity to its bank for collections

(CONTD 3)

SECTION – C**(5 X 8 = 40 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**

16. a) Discuss the importance of accounting concepts and conventions in the preparation of financial statements.

(OR)

- b) Prepare a trading account, profit and loss account and a balance sheet from the following information.

Particulars	Rs.	Particulars	Rs.
Opening stock	5,00,000	Purchases	1,30,000
Sales	7,00,000	Capital	4,00,000
General Expenses	40,000	Bills Payable	11,000
Salaries	35,000	Closing stock	1,25,000
Sundry Creditors	50,000	Purchase return	18,000
Sales return	40,000	Cash in hand	2,10,000
Wages	9,000	Sundry Debtors	1,85,000
		Bills Receivable	30,000

17. a) Explain the concept of depreciation. What is the significance of accounting for depreciation in financial statements?

(OR)

- b) Ms Devi purchased a new Machinery on 1st April 2009 for Rs.3,60,000. On 1st October 2009, another Machinery was purchased for Rs 1,80,000. On 30th September 2010, the second machine was sold for Rs 2,60,000. Rate of depreciation to be provided at 10% under diminishing balance method. Books are closed on 31st March every year. Prepare Machinery Account for three years.

18. a) Analyze the role of a Bank Reconciliation Statement in preventing and detecting fraud within an organization.

(OR)

- b) From the following particulars, prepare the Bank Reconciliation Statement,
- (a) Overdraft as per cash book: Rs. 16,200
 - (b) A cheque deposited as per bank statement but not recorded in the cash book: Rs. 700
 - (c) Debit side of the bank column cast short: Rs. 100
 - (d) A cheque for Rs. 5,000 was deposited but collection as per the bank statement only: Rs. 4,996
 - (e) A party's cheque returned dishonoured as per the bank statement only: Rs. 530
 - (f) Bills collected directly by the bank: Rs. 3,500
 - (g) Bank charges recorded twice in the cash book: Rs. 25
 - (h) A bill for Rs. 8,000 discounted for Rs. 7,960 returned dishonoured by the bank
 - (i) Noting charges debited in pass book: Rs. 15
 - (j) Cheques deposited but not yet collected by the bank: Rs. 22,320
 - (k) Cheques issued but not yet presented for encashment: Rs. 1,250

(CONTD 4)

19. a) What are the main differences between a Hire Purchase System and Installment Purchase System? Discuss with examples.

(OR)

- b) Seashore Trading Company sells goods on hire price. The price is cost plus 25%. From the following, compute Profit for the year 2011 under Stock and Debtors System.

Stock with hire purchases customers at HP price on 1 January 2011	Rs. 45,000
Installments due on 1st January 2011	Rs. 5,400
HP Sales for the year at HP Price	Rs. 2,89,500
Cash Received during the year	Rs. 2,94,900
Value of Repossessed Goods (Installment due Rs. 6,000)	Rs. 5,100
Installments due on 31st December 2011	Rs. 3,300

20. a) Explain the accounting treatment of a Bill of Exchange that is honored on the due date.

(OR)

- b) On Jan 01, 2015 Shieba sold goods to Vishal for Rs. 10,000 and drew upon him a bill of exchange for 2 months. Vishal accepted the bill and returned it to Shieba. On the date of maturity the bill was dishonoured by Vishal. Record the necessary entries in all the cases listed below in the books of Shieba and Vishal:
- When the bill kept by Shieba till its maturity;
 - When the bill is discounted by Shieba for Rs. 200;
 - When the bill is endorsed to Lal Chand by Shieba.